

INTERNATIONAL BUSINESS NEWS – MARCH 2006

U.S. Department of Commerce

International Trade Administration – U.S. Export Assistance Center

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“BANKING ON DEVELOPMENT”
Thursday, March 30, 2006- 8:30 AM-5:00 PM
World Trade Center, New Orleans

If you need financing for your projects in emerging markets, you'll want to attend this informative seminar presented by the major multilateral development banks, U.S. Department of Commerce and the World Trade Center in New Orleans. The seminar will cover:

- Obtaining MDB Money for Projects in Emerging Markets
- Constructing Winning Bids
- Winning Procurement of Goods and Civil Works
- Procurement of Consulting Services

For details and registration go to
<http://www.wtcno.org/programs/2006/banks3-30.htm>

To learn more about the Multilateral Development Banks, go to
<http://web.worldbank.org/WBSITE/EXTERNAL/EX-TABOUTUS/0,,contentMDK:20040614~menuPK:41699~pagePK:43912~piPK:44037~theSitePK:29708,00.html>

2006 HARMONIZED TARIFF SCHEDULE ONLINE

The first 2006 version of the Harmonized Tariff Schedule of the United States Annotated (HTSA) has been posted on the Internet by the U.S. International Trade Commission (USITC): www.usitc.gov/tata/hts. Export-import professionals should note that this first edition of the HTSA does incorporate changes to import treatment of goods entering under the new U.S.-Morocco Free Trade Agreement (FTA) but does not include any of the similar changes that will be required as CAFTA-DR takes effect. As each CAFTA-DR member implements the legislative and regulatory modifications required under that agreement, tariff changes for imports from that country will be incorporated in a supplemental release of the HTSA on a “rolling basis.”

OPERATING PROCEDURES FOR TRADE COMMUNITY REGARDING IMPLEMENTATION OF WOOD PACKAGING MATERIALS (WPM) REGULATION

**From U.S. Customs and Border Protection Website
February 2006**

The United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) has revised its import regulation for wood packaging materials (WPM), 7 CFR § 319. The regulation requires regulated WPM used in international trade to be treated to kill harmful insects that may be present. WPM must be marked with the International Plant Protection Convention (IPPC) logo, the two-letter International Organization for Standardization (ISO) code for the country that treated the WPM, the treatment facility number assigned by the national plant protection organization, and either the abbreviation HT (heat treatment) or MB (methyl bromide). The rule states that regulated wood packaging materials must be marked in a visible location on each article, preferably on at least two opposite sides of the article, with a legible and permanent mark that indicates that the article meets the new requirements.

For a complete copy of the report, including Compliance Phase II effective Feb. 1, 2006 and Compliance Phase III effective July 5, 2006, go to <http://www.buyusa.gov/arkansas/wpmphase2.pdf>

HOW INCOTERMS AFFECT REVENUE RECOGNITION

Most U.S. export and import pros use Incoterms 2000 in their international sales and purchase contracts for tangible goods. There is also a growing trend toward using Incoterms for domestic purchases and sales contracts. To learn how the choice of Incoterms affects the important questions of revenue recognition, read Frank Reynolds' article at <http://www.buyusa.gov/arkansas/incotermschoice.pdf>

BACKGROUND CHECKS

With U.S. companies scrambling to capitalize on globalization via outsourcing and new markets, it's more critical than ever to be able to decipher between legitimate opportunities and business-crippling mistakes. To read the article "Background Checks Reduce Risk of International Partnerships" from IOMA's March edition of "Managing Exports and Imports," contact us at little.rock.office.box@mail.doc.gov, or phone 501-324-5794, fax 7380.

International Company Profile Background Checks from U.S. Commercial Service

The International Company Profile program provides financial reports on companies in over 80 countries. Our worldwide network of specialists can investigate the financial strength of a company and provide useful information gleaned from the local press, industry contacts, and other sources. We can provide:

- A detailed credit report on a prospective overseas sales representative or partner in 10 days or less.
- A listing of the company's key officers and senior management.
- Banking and other financial information about the company
- Market information, including sales and profit figures, and potential liabilities

For details on this service, go to http://www.export.gov/comm_svc/intl_co_profile.html

SOME SUGGESTIONS ON REDUCING RISKS ASSOCIATED WITH INCONSISTENT CUSTOMS CLASSIFICATIONS FROM VARIOUS CHINESE PORTS Jim Matthews U.S. Department of Commerce Trade Information Center

Customs classification in China is often inconsistent from one port to the next because the local customs offices have unofficial quotas to fill or revenue targets to reach. To help reduce the risk associated with these inconsistent classifications, Peter Dempsey from the US-China Business Council has provided the following:

1. Along the lines of an advance ruling, the importer can go to the local customs office (not to be confused with the port itself where customs may not even have an office) and ask for a letter classifying the imported items. The importer can then take this letter to the port and present it to customs at the time of entry. This approach may or may not work, as there is no recognized

mechanism for getting such an advance ruling in China. Furthermore, customs may request to actually see the imported items before issuing such a letter.

2. VAT approach: maintain receipts/documentation for the VAT that the importer pays for each entry. The VAT % will sometimes vary from product to product (e.g., unfinished vs. finished wooden products). For example, let's assume that for a previous import you paid a lower unfinished wooden product VAT. If in the future when you try bringing in the same item customs tries to levy a higher VAT for finished wooden products, you can produce these receipts/documents from prior VAT payments to point out their error/inconsistency.
3. When the goods arrive, the importer can have the Chinese tariff schedule handy so he/she can point out the tariff number that they believe classifies the item(s). This can provide useful guidance because there are times when the Chinese customs official does not know the correct tariff number.

CANADA TAX & REGULATIONS

Stephanie Linton, our ICT Commercial Specialist in Ottawa, has compiled excellent information for U.S. businesses exporting goods to Canada. To read the document on taxes and labeling requirements, go to <http://www.buyusa.gov/arkansas/canadatatandregs.pdf>

USEFUL WEBSITES

For a list of shipping professionals in specific countries, information on airline cargo companies and dozens of freight forwarders and package delivery services, go to

A-Z Freight Gateway
<http://www.azfreight.com/>

The Federal Trade Commission, and the Federal Bureau of Investigation have consumer Websites where consumers can report Internet fraud or unsolicited Emails. For more information, go to <http://www.econsumer.gov/english/> or <http://www.ic3.gov/>

We hope you've enjoyed this edition of our newsletter.
Any mention of non-government sources
does not constitute endorsement.

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